

Gambling is an excellent example of this situation. It is currently illegal in the United States unless regulated by the States. As such, every state has gambling statutes to determine the type and amount of legal gambling permitted. With the development of the Internet, however, prohibitions and regulations governing gambling have been turned on their head. No longer do people have to leave the comfort of their homes and make the affirmative decision to travel to a casino—they can access the casino from their living rooms.

Since 1868, the federal government has enacted federal gambling statutes when a particular type of gambling activity has escaped the ability of states to regulate it. For over one hundred years, Congress has acted to assist states in enforcing their respective policies on gambling when developments in technology of an interstate nature, such as the Internet, have compromised the effectiveness of state gambling laws.

The negative consequences of online gambling can be as detrimental to the families and communities of addictive gamblers as if a bricks and mortar casino was built right next door. Online gambling can result in addiction, bankruptcy, divorce, crime, and moral decline just as with traditional forms of gambling, the costs of which must ultimately be borne by society.

Gambling on the Internet is especially enticing to youth, pathological gamblers, and criminals. There are currently no mechanisms in place to prevent youths—who make up the largest percentage of Internet users—from using their parents' credit card numbers to register and set up accounts for use at Internet gambling sites. In addition, pathological gamblers may become easily addicted to online gambling because of the Internet's easy access, anonymity and instant results. Dr. Howard J. Shaffer, director of addiction studies at Harvard, likens the Internet to new delivery forms of addictive drugs: "As smoking crack cocaine changed the cocaine experience, I think electronics is going to change the way gambling is experienced." Finally, Internet gambling can provide a nearly undetectable harbor for criminal enterprises. The anonymity associated with the Internet makes online gambling more susceptible to crime.

I have long been a champion of the Internet and an advocate of limited government regulation of this new medium. However, that does not mean that the Internet should be a regulatory free zone or that our existing laws should not apply to the Internet. I think we can all agree that it would be very bad public policy to allow offline activity deemed criminal by states to be freely committed online and to go unpunished simply because we are reluctant to apply our laws to the Internet.

Gambling on the Internet has become an extremely lucrative business. Numerous studies have charted the explosive growth of this industry, both by the increases in gambling websites available, and via industry revenues. A study by the research group Christiansen/Cumming Associates estimated that between 1997 and 1998, Internet gambling more than doubled, from 6.9 million to 14.5 million gamblers, with revenues doubling from \$300 mil-

lion to \$651 million. More recently, Bear, Stearns & Co. Inc. reported that there were at that time as many as 1,400 gambling sites, up from 700 just a year earlier. Other estimates indicate that Internet gambling could soon easily become a \$10 billion a year industry.

Most of the more than 1,400 Internet gambling sites are offshore. Virtual betting parlors accepting bets from individuals in the United States have attempted to avoid the application of United States law by locating themselves offshore and out of our jurisdictional reach. These offshore, fly-by-night Internet gambling operators are unlicensed, untaxed and unregulated and are sucking billions of dollars out of the United States.

In addition, the FBI and the Department of Justice recently testified that Internet gambling serves as a vehicle for money laundering activities and can be exploited by terrorists to launder money. The FBI currently has at least two pending cases involving Internet gambling as a conduit for money laundering, as well as a number of pending cases linking Internet gambling to organized crime.

Current law already prohibits gambling over telephone wires. However, because the Internet does not always travel over telephone wires, these laws, which were written before the invention of the World Wide Web, have become outdated. My legislation simply clarifies the state of the law by bringing the current prohibition against wireline interstate gambling up to speed with the development of new technology.

In addition, my legislation will add a new provision to the law that would prohibit a gambling business from accepting certain forms of non-cash payment, including credit cards and electronic transfers, for the transmission of illegal bets and wagers. This provision provides an enforcement mechanism to address the situation where the gambling business is located offshore but the gambling business used bank accounts in the United States. The bill also provides an additional tool to fight illegal gambling by giving Federal, State, local and tribal law enforcement new injunctive authority to prevent and restrain violations of the law.

The legislation I am introducing will return control to the states by protecting the right of citizens in each State to decide through their State legislatures if they want to allow gambling within their borders and not have that right taken away by offshore, fly-by-night operators. The regulation of intrastate gambling is within the jurisdiction of the states, so the bill leaves the regulation of wholly intrastate betting or wagering to the states with tight controls to be sure that such betting or wagering does not extend beyond their borders or to minors.

The 104th Congress created the National Gambling Impact Study Commission and charged it with conducting a comprehensive legal and factual study of gambling, including an assessment of the interstate and international effects of gambling by electronic means, including the use of interactive technologies and the Internet. The Commission recommended to Congress that federal legislation is needed to halt the expansion of Internet gambling and to prohibit wire transfers to

known Internet gambling sites, or the banks who represent them.

As the National Gambling Impact Study Commission has documented, and Senate and House hearings have confirmed, Internet gambling is growing at an explosive rate. It evades existing anti-gambling laws, endangers children in the home, promotes compulsive gambling among adults, preys on the poor, and facilitates fraud. The "Combating Illegal Gambling Reform and Modernization Act" will put a stop to this harmful activity before it spreads further. I urge my colleagues to support this very important legislation.

TRIBUTE TO JOE ZUCCA ON BEING
AWARDED THE 2001 ST. MADE-
LEINE SOPHIE BARAT AWARD

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 1, 2001

Ms. ESHOO. Mr. Speaker, I rise today to honor Joe Zucca, a distinguished constituent of the 14th Congressional District of California, who is being honored on November 6, 2001, by the Sacred Heart Schools of Atherton, California, with the 2001 St. Madeleine Sophie Barat Award.

Joe Zucca has given generously of his time and talents to educating children for fifty years. A science teacher at Carlmont High for many years, he came out of retirement in 1981 to become a member of the faculty of St. Joseph's School. Joe Zucca has left a lasting impression upon generations of students including my daughter Karen, now Academic Dean at St. Joseph's, and my son, Paul. The founder of Zucca's Institute, a five day trip to Yosemite National Park for eighth graders, Joe Zucca created the program to give students the opportunity to learn more about the biology and geology of the park.

Joe Zucca has also worked tirelessly to educate members of our community on the ecological richness of our surroundings. The publisher of *An Encyclopedia of Plants and Animals* on the Sacred Heart Campus, he is currently developing the Butterfly and Hummingbird Garden on the St. Joseph campus.

In addition to his extraordinary contributions in the field of education, Joe Zucca has also served as an active participant in local government. A former Mayor of Belmont, he has also served as a Trustee for the Belmont Elementary School District.

Mr. Speaker, it is a great privilege to honor Joe Zucca as he receives the 2001 St. Madeleine Sophie Barat Award. I ask my colleagues to join me in saluting him and thanking him for his extraordinary service to our community. We are indeed a better community, a better county and a better country because of him.